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## Harvesting Pineapples, Oahu

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# Trade Invest Monthly

## Hawaii's International Business Network

### HAWAII NOTICES



#### Hawaii to Host WWW2002

Hawaii will host the 11<sup>th</sup> International World Wide Web Conference, May 7-11, 2002, at the Sheraton Waikiki Hotel. The event is organized by the University of Hawaii and Pacific Telecommunications Council in cooperation with the International World Wide Web Conference Committee based in Geneva, Switzerland.

Since the first WWW conference in 1994, the conference series has emerged as the world's premier forum for discussion and debate about the issues surrounding the evolution of the Web, the standardization of associated technologies, and the impact those technologies are having on society and culture.

Approximately 1,500 international researchers, technologists and leaders from industry and academia are expected to gather in Hawaii to define, refine, present, demonstrate and discuss the latest ideas and developments in web technologies and applications.

The conference will consist of the following programs:

- Technical program – includes refereed paper presentations, alternate track presentations, plenary sessions, panels and poster sessions reviewed by an international committee of over 100 experts;
- Tutorials and workshops - will provide detailed looks at specific areas of current interest and research;
- "Developers Day" – devoted to in-depth technical sessions designed specifically for Web developers. This will include participation *Tim Berners-Lee*, inventor of the World Wide Web.

This year's confirmed speakers include:

- *Tim Berners-Lee* – as mentioned above, inventor of the World Wide Web and Director of the W3C who now holds the 3Com Founders chair at the Laboratory for Computer Science (LCS) at the Massachusetts Institute of Technology;
- *Richard A. DeMillo* – Vice President and Chief Technology Officer for Hewlett-Packard Company;
- *Ian Foster* – guru of "Grid Computing", Associate Division Director, Senior Scientist, and head of the Distributed Systems Lab, Mathematics & Computer Science, Argonne National Laboratory, and a Professor of Computer Science at the University of Chicago;
- *Pamela Samuelson* – a McArthur Prize Winner, international expert of Intellectual Property in the Information Age, UH alum, and Professor at the University of California at Berkeley;
- *Alfred Z. Spector* – Vice President of Services and Software at IBM Research who is responsible for setting IBM's worldwide services and software research strategy.

For more information on the conference, please visit <http://www2002.org> or e-mail [info@www2002.org](mailto:info@www2002.org)

#### QVC National Product Search - April 26-28, 2002

Aspiring entrepreneurs will have the opportunity to present their consumer products to QVC at the e-commerce leader's national product search on Saturday, April 27 and Sunday, April 28 at the Mall of America, located in Bloomington, Minn. QVC's National Product Search will provide inventors, designers and manufacturers with a forum to share their innovative consumer products with QVC representatives from the merchandising, product development and vendor relations divisions.

With annual sales of \$3.9 billion, QVC is one of the fastest growing retailers in the world. QVC and its subsidiaries now reach more than 138 million homes worldwide, and in the past 12 months handled over 112 million phone calls, and delivered 71 million packages to 6.7 million homes in the U.S.

If you are interested in participating, please fill out the registration form at: [www.QVCProductSearch.com](http://www.QVCProductSearch.com), or call 866-302-4633.

*\*As part of the registration process, product submissions require your agreement to QVC's Product Submission Guidelines.*

## Worldwide Market Reports

To request reports, send the request form by Fax: (808) 587-3388 or email: [tradeinvest@dbedt.hawaii.gov](mailto:tradeinvest@dbedt.hawaii.gov). **The report service offered is reserved for Hawaii companies only.** If you are outside of Hawaii and are interested in the reports highlighted in our newsletters, please go to the United States Department of Commerce website, [www.stat-usa.com](http://www.stat-usa.com) or to [www.usatrade.gov](http://www.usatrade.gov)

### Canada – Asian Foods Appeal to Consumers

*Source: U.S. Department of Agriculture.* According to a feature article in the December issue of *Grocer Today* magazine, Asian foods now appeal to Canadian consumers across the board with an emphasis on premium imports and domestically produced high quality items.

With the first-generation families arriving from Japan, China, Hong Kong, and Taiwan, retailers were quick to realize that certain Asian staples – for example, rice, noodles, and soy sauce – needed a wider range and greater variety to cater to this niche market.

By the mid-1990's, chain stores had created wholly Asian-food sections, and the emphasis has grown to premium imports and domestically produced items of exceptional quality.

Authenticity, reliability, packaging and convenience are some of the important factors to consider in Canada's Asian food market.

### Canada – Nutritional Labeling

*Source: U.S. Department of Agriculture.* Although nutrition labeling is currently optional on packaged food products in Canada, there is a move to make nutrition labeling mandatory for all packaged food products.

In June 2001, Health Canada published the regulatory proposals to begin the process of implementing mandatory nutrition labeling.

The final regulations to implement the nutrition labeling changes are expected sometime in 2002. Manufacturers will be given two years after the regulation are in place to revise the labels on their products. Small businesses will be allowed an additional year to comply.

The regulatory proposals for mandatory nutrition labeling cover the following three types of nutrition information: 1) nutrition labeling, 2) nutrient content claims, and 3) health claims.

## Trade Opportunities

### U.S. Department of Agriculture On-Line Directory

*Source: U.S. Department of Agriculture.* The U.S. Department of Agriculture has created an on-line directory called "Export Directory of U.S. Food Distribution Companies" that will connect export distributors of U.S. food products with worldwide customers. Listed are U.S. companies that export mixed containers of food products. The directory provides a one-page entry on more than 70 companies, including the products and services they provide and contact information. For more information go to the website: <http://www.fas.usda.gov/agexport/directory/main.html>

### Taiwan – Soil and Groundwater Remediation

*Source: U.S. & Foreign Commercial Service.* The Taiwan Soil and Groundwater Pollution Remediation Act of February 2000 was a

landmark step in the strengthening and development of the Taiwan Environmental Protection Agency, and Taiwan's growing body of environmental laws.

There are opportunities for experienced consultants and experts capable of supervising initial site assessment testing, data analyses, and the creation of master plan cleanup and remediation.

Companies interested in entering the Taiwan market with an environmental product or service may contact: American Institute in Taiwan, Commercial Section, Rm. 3208, 32F, International Trade Center, 333 Keelung Rd., Section 1, Taipei, Taiwan, Tel: +886-2-2750-1550; Fax: +886-2-2757-7086, Contact: Mark Lewis, Commercial Officer, E-mail: [mark.lewis@mail.arc.gov](mailto:mark.lewis@mail.arc.gov)

## China News (please request reports for more details)

### China Worldbest and Harbin Pharmaceutical Merger

*Source: U.S. & Foreign Commercial Service.* It is anticipated that in the 21<sup>st</sup> century, the largest pharmaceutical manufacturers will be integrated into 15 super-companies worldwide. This consolidation trend started in the 1990's and led to the creation of global players such as *Pharmacia Upjohn*, *Glaxo Welcome*, and *Bristol Meyers Squibb*.

Similarly, China's WTO accession and the increased competition that is anticipated has also led to a consolidation movement in China's pharmaceutical industry, with the merger of *Harbin Pharmaceutical* and *China Worldbest* leading the way.

This merger creates four opportunities for U.S. companies: 1) the merged company has the manufacturing capacity to be an attractive joint venture partner; 2) the new company will need outside expertise for its chain pharmacies and hospital management, and 3) the company has one of China's largest distribution networks, and 4) the company is in the process of upgrading its manufacturing facilities and will require facility design services in addition to the purchase of biopharmaceutical production lines.

### China will Develop its Travel Agency Industry

*Source: U.S. & Foreign Commercial Service.* Although China has more than 10,000 travel agencies, their combined annual revenue cannot compete with a single international company such as American Express.

The problem is that the travel agencies in China are not specialized, and it is difficult to tell which travel agencies are big or small in China.

According to an industry specialist, China, having joined the WTO, will develop its travel agency industry with the following possible changes:

- Development in large international travel wholesalers. This type of travel agency should have research and development capabilities. Besides producing and providing products, the agencies would control travel resources such as flight and hotel resources. The ultimate would be to connect with large foreign travel wholesalers to promote new products and services.
- Development in specialized travel agencies with characteristic services. For example, there may be travel agencies specializing in youth, exploration and religious destination travel.



## Japan News

### In the News

Source: U.S. Department of Agriculture – Agriculture Trade Office Tokyo. Recent reports from various Japanese mass media and food press are below:

- *Ito-Yokado's* operating profit in 2001 is estimated at 29.5 billion yen – an 82% increase compared to 2000. It is the first increase in six years. (1/31/02 issue of The Japan Economic Newspaper)
- *Snow Brand Foods* announced on January 28 that it will withdraw from the meat industry entirely, quitting not only the beef business, but also the pork and poultry business. This follows its recent labeling scandal. (1/29/02 issue of The Japan Economic Newspaper)
- With deepening difficulties caused by the recent scandal of its *Snow Brand Foods* subsidiary, *Snow Brand Milk Products* announced a new reform plan on February 4. The plan includes seeking outside capital and selling off the four main divisions of *Snow Brand Foods*. (2/4/02 issue of The Japan Economic Newspaper)
- According to the Japan's General Affairs Ministry, average monthly consumer spending in 2001 declined by 0.8% compared to 2000. This reflects a reduction in spending on food and clothing, and is the fourth consecutive year of decline. (1/29/02 issue of The Japan Economic Newspaper)
- *Fancl*, a major cosmetics company known for not using any additives in its products, opened its first small health food shop called "Genki Net" in Tokyo on February 5. The store carries about 100 health food products, and offers a delivery service for customers with purchases over 3,000 yen. *Fancl* plans to open 5-6 directly-owned shops in the Tokyo metropolitan area this year, with the aim of expanding into a franchise chain in the future. (2/6/02 issue of The Japan Economic Newspaper)

### New Airport Seeks Hotel Operator

Source: U.S. & Foreign Commercial Service. The Central Japan International Airport Company (CJIAC), the commissioning entity for a new US\$5.9 billion Central Japan International Airport (CJIA), recently announced its intention to recruit an airport hotel operator. The announcement can be viewed on CJIAC's homepage at <http://www.cjiac.co.jp/>

CJIAC believes the airport hotel is essential for the convenience of airport passengers – providing overnight lodging before/after flights, rest during transfers, and customer convenience during emergencies such as foul weather conditions and flight irregularities.

### Health Care Services

Source: U.S. & Foreign Commercial Service. U.S. firms have developed a strong presence in Japan's healthcare sector, supplying almost 25% of the medical device market and 15% of Japan's pharmaceutical consumption.

Another key element of Japan's medical sector – healthcare services – the U.S. role is much more limited. It is constrained by legal prohibitions against certain private sector activities in the medical field, and by an insurance reimbursement system that offers few incentives for Japanese medical institutions to adopt U.S.-style management techniques and cost-containment programs.

However, as Japan seeks to address the challenge of responding to increased demand for healthcare in an era of growing financial strains, new commercial opportunities for U.S. firms should begin to emerge in the healthcare sector.

### Cosmetics Market

Source: U.S. & Foreign Commercial Service.

Japanese imports of all cosmetics totaled 106,946 million yen (US\$990.2 million) in 2000, a 4.3% increase in yen terms over the previous year.

The Japanese cosmetics market is the world's second largest after the U.S. and is a highly competitive and mature market.

Some of the points to consider in the Japan cosmetics market:

- Japanese manufacturers in general are highly competitive with imported cosmetics;
- Manufacturers and consumers are recognizing that cosmetics have healing and relaxation effects – cosmetics new role;
- Japanese manufacturers are very attentive to the consumers' needs and tastes, which are often influenced by seasonal and quickly shifting trends and fashion changes.

As cosmetic products are increasingly associated with personal fashion and expression these days, incorporation of fashion trends will appeal to the Japanese consumers – especially the young female consumers with a larger disposable income.

## Hong Kong News (please request reports for more details)

### Selling Products or Services to the Hong Kong Government

Source: U.S. & Foreign Commercial Service. Government Supplies Department (GSD), the central purchasing, storage and supply organization for the Government of Hong Kong Special Administrative Region, spent US\$703 million during the period April 2000 to March 2001. All government sales are handled through the GSD. The GSD normally purchases by open tender, with decision based on compliance with tender specifications, competitiveness in price, back-up service and delivery. No preference is given to any particular source of supply from any country or organization.

The GSD maintains lists of registered suppliers for issuing tender invitations. Tender notices are published in the Government of the Hong Kong Special Administrative Region Gazette, and in selected Hong Kong newspapers. Tender notices are also published on the Internet in the GSD homepage at: <http://www.info.gov.hk/gsd/index.htm> Tenderers are given at least three weeks to prepare their offers.

For information about a subscription to the Government of the Hong Kong Special Administrative Region Gazette contact: Information

Officer, Publication Sales Section, Information Services Department, Room 402 Murray Building, Garden Road, Central, Hong Kong, Tel: +852-2842-8839; Fax: +852-2598-7482, E-mail: [puborder@isd.gcn.gov.hk](mailto:puborder@isd.gcn.gov.hk)

### Increased Duties on Wine

Source: U.S. Department of Agriculture. In the midst of a budget shortfall, the Hong Kong government has raised its duties on wine from 60% to 80% effective immediately.

Hong Kong is a free port which does not impose any tariffs except on four dutiable items: liquor, cigarettes/cigars, hydrocarbon oils, and methyl alcohol.

The increase in duties on wine may adversely affect wine consumption.

*Parknshop*, one of the largest supermarket chains in Hong Kong, immediately announced that they are not going to increase the prices of their wine as long as stocks last. Their quick reply is an indication that the retailers are concerned that the duty increase may drive some customers away.

## Korea's Travel & Tourism Sector

*Source: U.S. & Foreign Commercial Service.* It was reported that Korea has tremendous potential to transform its tourism sector into a key national industry that will offer substantial long-term business opportunities for U.S. companies.

Since the Korean government and its private sector have both come to realize the tremendous potential in the country's tourism market, they are seeking foreign investors' participation in the construction of luxury hotels as well as the management of catering services, rental car companies, leisure activities programs, and other tourism niche sectors.

Korean outbound travel is also a plus for the U.S. hospitality and travel industries. Over the past few years, Koreans have traveled overseas in increasing numbers. Koreans overwhelmingly choose the U.S. as a non-Asian destination due to the diversity of tourism opportunities not readily available back home – U.S. style shopping, theme parks, and cultural attractions. Korean tourists also travel to the U.S. for relatively inexpensive golfing experiences and the many scenic national parks.

## China - Foreign Investment Rules

*Source: International Business Daily on Feb 27, 2002 and China Business Times, March 13, 2002.* -- The State Council of China has enacted regulations on guiding the direction of foreign investment, which is scheduled for implementation starting from April 1, 2002. The regulations also apply to investment projects launched by overseas Chinese and investors from Hong Kong, Macao and Taiwan. The new regulations divide projects for foreign investment into four categories - encouraged, permitted, restricted and banned.

Projects encouraged cover five categories.

- (1) New agricultural technologies, agricultural comprehensive development, energy, transportation and important raw material industries;
- (2) New and high technologies, advanced applicable technologies, and new equipment and new materials that are able to improve product performance as well as technological and economic efficiency;
- (3) Projects that match market demands, are able to upgrade products, explore emerging markets, or enhance international competitiveness;
- (4) New technologies and equipment that are able to save energy and raw materials, make comprehensive utilization of resources and renewable resources, provide prevention and cure for environmental pollution; and

lution; and

- (5) Create human resource and resource advantages in China's central and western regions, in accordance with China's industrial policy.

Permitted foreign investment projects whose products are exclusively for export are regarded as "encouraged" foreign investment projects. In addition, foreign investment projects may, aside from enjoying preferential treatment according to relevant laws and regulations, expand related business scope (with approval) if they are involve in energy, transportation, urban infrastructure construction requiring large amount of investment and long recovery period.

## Australia Economy Growing

*Source: U.S. & Foreign Commercial Service* The Australian economy is in a strong global position, due to strong sustained growth despite the global economic downturn. For the calendar year 2001, Australian growth reached 4.1%, which is ten times the average growth rate of OECD countries. More strong growth for Australia is forecasted for 2002 in such areas as business investment, consumer spending, and continuing demand for exports.

## Singapore – 2001 GDP Data Released

*Source: U.S. & Foreign Commercial Service* The Singapore government's Ministry of Trade & Industry (MTI) revised its economic estimate for calendar year 2001. The final data shows that the GDP fell 2.0% in calendar year 2001, compared to growth of 10.3% in calendar year 2000 and real GDO declined 2.2%. This was Singapore's worst recession since 1965. In contrast, the GDP forecast for calendar year 2002, is positive growth of 1% to 3%.

## Korea - Geographical Info System

*Source: U.S. & Foreign Commercial Service.* Korea's Geographical Information System (GIS) market has been growing steadily, and it is estimated that the market will grow annually at a rate of 30% per year through 2005.

The total size of the GIS market in 2001 was US\$363.1 million and it is projected to increase to US\$456 million in 2002.

In the 21<sup>st</sup> century, Korea has bold plans to achieve a world-class level deployment of information technology (IT) with its governmental organizations taking the lead. GIS will play a central role in the Korean government's environmental monitoring and land management programs.

Since 1995, Korea has made

considerable progress in increasing its GIS capabilities, but has yet to develop its own GIS software and database tools.

The U.S. continues to maintain its dominance in the GIS import market with an 88% import market share in 2000.

## Korea – Foreign Franchises

*Source: U.S. & Foreign Commercial Service.* Korea's franchising industry has been rapidly developing – starting with fast food restaurants, later expanding to include family restaurants, discount stores, clothing outlets, mailing services, cleaning service companies, as well as education institutions.

This sector has grown due to the "new generation" of affluent Korean consumers and the changes in Korea distribution sector that favor new products and marketing concepts.

Potential franchisees in Korea are seeking, and prefer to do business with U.S. franchisers that can offer their established brand names to the Korean consumers as well as the American-style systematic management skills that the U.S. headquarters can provide.

## Report Request Form

### Trade Invest Monthly

#### Hawaii's International Business Network

Company: \_\_\_\_\_

Contact person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Zipcode: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

Report(s) requested:

- ☐ Canada - Asian Foods Preference
- ☐ Taiwan - Soil & Groundwater Remediation
- ☐ Canada - Nutritional Labeling
- ☐ China - Travel Agency Industry
- ☐ Japan - Health Care Services
- ☐ Japan - Cosmetics Market
- ☐ Korea - Travel & Tourism Opportunities
- ☐ China - New Rules / Foreign Investment
- ☐ Korea - Geographic Information Systems

**OTHER REPORTS (reference issue date):**

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Please fax this completed form to (808) 587-3388,  
or Email your request to:  
tradeinvest@dbedt.hawaii.gov

All reports are mailed in hard copy format only.